DOCUMENT RESUME

ED 292 500 JC 880 128

TITLE District Requests for Exemption to Fifty Percent Law for 1986-87 Fiscal Year.
INSTITUTION California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE Apr 88
NOTE 30p.; Prepared for the Board of Governors of the California Community Colleges.
PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Budgets; *Compliance (Legal); Educational Finance; Legal Responsibility; Resource Allocation; School Districts; *School District Spending; State Boards of Education; *State Legislation; *Teacher Salaries; Two Year Colleges
IDENTIFIERS *California; *Fifty Percent Law (California)

ABSTRACT

The 50 Percent Law (Section 84362 of the California Education Code) requires each California community college district to annually spend half of its "current expense of education" for "salaries of classroom instructors." District compliance with the provisions of this law is determined by the chancellor, based on information submitted to the districts after the end of each fiscal year. Districts that have failed to meet the Fifty Percent Law requirement may apply for exemption if, by complying, the district would have suffered "serious hardship" or if paid salaries of classroom instructors were equal to, or in excess of, those paid by other districts "of comparable type and functioning under comparable conditions." Four community college districts did not comply with the Fifty Percent Law requirement in the 1986-87 fiscal year. This report analyzes each district's application for exemption from the Fifty Percent Law and recommends actions. Procedures for the administration of the law and a technical description of the process for determining comparable districts are appended. (EJV)

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CHANCELLOR'S OFFICE

GEORGE DEUKMEJIAN, *Governor*

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ED292500

March 31, 1988

TO: Members of Board of Governors

FROM: John D. Randall

SUBJECT: Report on District Compliance with Education Code Section 84362 (50% Law) During Fiscal Year 1986-87

The enclosed report is provided only for information at this time. The California Administrative Code, Title 5, Section 59206(k) specifies that the Board of Governors must receive the Chancellor's recommendation by May 1 of each year.

This report will be presented for action at the next Board meeting on June 2 and 3, 1988.

cc: Board Agenda Mailing List
James Meznek
Joseph Freitas

Board of Governors
California Community Colleges
April 1988

DISTRICT REQUESTS FOR EXEMPTION TO FIFTY PERCENT LAW FOR 1986-87 FISCAL YEAR

For Information

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Board of Governors
California Community Colleges
April 1988

DISTRICT REQUESTS FOR EXEMPTION TO FIFTY PERCENT LAW FOR 1986-87 FISCAL YEAR

For Information

Background

Since the early days of statehood, the California Legislature has established minimum percentages of school and college budgets to be spent for salaries of classroom instructors. The prescribed rate and the bases for calculations have changed many times over the years, but the underlying rationale has remained constant during that period. The stated intent of public policy in this matter has been to limit class size and to limit the relative growth of administration and other noninstructional costs in public education in California. (A history and discussion of the law were presented to the Legislature in January 1981 in the *Report to the Legislature Concerning the Extent of Compliance with the Provisions of Education Code Section 84362 by California Community College Districts in Fiscal Years 1977-78, 1978-79 and 1979-80.*)

Section 84362 of the *Education Code*, commonly known as the 50 Percent Law, requires each community college district to annually expend half of its "current expense of education" for "salaries of classroom instructors." District compliance with provisions of this law is determined by the Chancellor, based on information submitted by the districts after the end of each fiscal year. Districts that have failed to meet the 50 Percent Law requirement may apply to the Board of Governors for exemption if 1) application of the law would have resulted in "serious hardship" to the district, or 2) payment of salaries of classroom instructors were in excess of those paid by other districts "of comparable type and functioning under comparable conditions."

The statute and Title 5 regulations (Sections 59200-59206) prescribe the procedures to be used by community college districts in applying for exemption to the 50 Percent Law for the prior fiscal year. The matter must be considered by the district's governing board, and faculty organizations and any other interested parties must be given a reasonable opportunity to be heard. If the governing board decides to apply for exemption, it must provide a copy of its application to the appropriate certificated employee organization. The organization then has an opportunity to respond.

Upon receipt of the district's application, Chancellor's Office staff analyze faculty responses, the independent auditor's report, and other fiscal data, and make recommendations to the Chancellor for consideration by the Board of Governors. The Chancellor has until May 1 to present his findings and recommendations to the Board.

Pursuant to the 50 Percent Law and implementing regulations of the Board, this item presents data and analysis for the Board's information. A final report will be presented for action at the June meeting.

The Law

The 50 Percent Law (*Education Code*, Section 84362) requires each community college district to spend half of its "current expense of education" for payment of "salaries of classroom instructors" each fiscal year. These two concepts, as defined in statute, are included in Appendix A.

In addition, Title 5 regulations and the law specify procedures to be followed by the Chancellor and the Board of Governors in administering the law.

Administering the Law

The 50 Percent Law *cycle* encompasses a span of three fiscal years:

1. **Fiscal Year 1**, in which the deficiency occurred (1986-87 for purposes of this item).

2. **Fiscal Year 2**, during which staff evaluation of applications for exemption and Board decisions occur (1987-88).

3. **Fiscal Year 3**, in which effects of Board decisions occur (1988-89).

Any part of the deficiency in Year 1 not exempted by the Board is designated to be expended in Year 3 for salaries of classroom instructors. The amount by which the district fails in Year 3 to expend for that year's 50 Percent Law requirement, plus the nonexempted deficiency from Year 1, becomes Year 3's deficiency. Illustrative of this situation is the deficiency reported in this item for the Santa Clarita Community College District (Exhibit 3, page E3-1). The district's performance in Fiscal Year 1986-87, exclusively, would have resulted in a deficiency of $351,495; but a nonexempted deficiency of $338,828 from the 1984-85 fiscal year increased the total amount to $690,323.

Basis of Exemption

The Board has adopted Title 5 regulations to clarify and standardize procedures for evaluating exemption requests. Under these procedures, a district may request exemption from the 50 Percent Law if the district:

(1) would have suffered serious hardship; or

(2) paid salaries of classroom instructors equal to or in excess of districts operating under comparable conditions.

Serious hardship under condition (1) is determined on the basis of the district's General Fund income, expenditure, and unrestricted balance. Serious hardship is deemed to exist when the General Fund unrestricted ending balance, plus income for the period preceding the receipt of local tax revenue, is projected as insufficient to meet the district's expenditures for the same period, based on past years' expenditure patterns. For 1986-87, no district applied for exemption on the basis of hardship.

Assessment of requests for exemption under condition (2) is based on the filing district's total payment of salaries of classroom instructors, as defined in *Education Code*, Section 84031, divided by the district's average daily attendance (ADA) as compared to the aggregate of the same information for comparable districts. (For an explanation of the determination of "comparable districts," see Appendix A.) If the district applies for exemption on the basis of (2) above and its salary expense per ADA is higher than the aggregate of comparable districts, a recommendation to grant an exemption is made. An example of this calculation is shown for the Palo Verde Community College District on the Exhibit 2 Worksheet, page E2-3. If the district's salary expense per ADA is less than the aggregate rate paid by comparable districts, the amount needed to have reached parity is recommended for denial; any deficiency amount above that needed to reach parity is recommended for exemption. An example of this calculation is shown on the Exhibit 3 Worksheet, page E3-3, for the Santa Clarita Community College District.

Plan for Compliance

Title 5, Section 59206(l), requires that:

> Conditional to consideration by the Board of Governors to grant a second or more consecutive exemption shall be a plan officially adopted by the governing board of the district specifying steps to be taken by that district to achieve compliance with Education Code Section 84362. The plan will be revised as needed or as requested by the Board of Governors.

The plan should include, at a minimum, clear and quantified district goals and objectives for meeting the 50 Percent Law requirement. It should also include a specific timetable for compliance, with stated increases in the proportion of salaries of classroom instructors to current expense of education, and statements addressing each of the factors that may have contributed significantly to the district's failure to meet the 50 Percent Law requirement in the prior fiscal year.

For further description and clarification of Chancellor's Office administration of the 50 Percent Law and a technical description of the process for determining comparable districts, refer to Appendix A.

Districts Not In Compliance

Four community college districts did not comply with the 50 Percent Law requirement in the 1986-87 fiscal year: Butte, Palo Verde, Santa Clarita, and West Hills. Table 1 summarizes the deficiencies for these districts and presents the staff-recommended actions.

Table 1

California Community Colleges
Summary of 50 Percent Law Deficiency and Recommended Action
Fiscal Year 1986-87

District	Basis for Exemption Request[1]	Plan for Compliance Required	Plan Acceptable	50 Percent Law Deficiency	Recommendation	
					Amount To Be Exempted	Amount Not To Be Exempted
Butte	N	No	N/A	$ 85,825	$ 0	$ 85,825[2]
Palo Verde	C	Yes	Yes	89,532	89,532	0
Santa Clarita	C	Yes	Yes	690,323	333,799	356,524
West Hills	C	Yes	Yes	81,563	81,563	0

[1] N: District did not file for exemption.

C: Request for exemption based on payment of "salaries of classroom" instructors in excess of comparable districts.

[2] Chancellor must direct the district to add the deficient amount to the amounts to be expended for salaries of classroom instructors as required by law.

One district (Butte) did not file for an exemption. The other three filed for exemption on the basis that the district's expenses for salaries of classroom instructors exceeded that of comparable districts. Those three districts were also required to file a plan for compliance to the 50 Percent Law because they received partial or full exemption for the 1984-85 fiscal year. The Chancellor's Office has received no letters of opposition from faculty representatives.

Table 2 provides statistical information on the four districts.

Staff analysis and Chancellor's recommendation for each district appear in the exhibits that follow.

Table 2

California Community Colleges
Districts Not In Compliance with 50 Percent Law (ECS 84362)
Fiscal Year 1986-87

District	Current Expense of Education (CEE) (a)	50 Percent of CEE (b)	1984-85 Non-exempted Deficiency (c)	1986-87 Salary Expense Requirement (Col. b + c) (d)	1986-87 Instructors Salary Expense (e)	% of Salary Expense to CEE (Col. e ÷ a) (f)	Deficiency (Col. d - e) (g)	Basis for Exemption Request (h)[1]
Butte	$14,286,394	$ 7,143,197	$ 139,970	$ 7,283,167	$ 7,197,342	50.38%	$ 85,825	N
Palo Verde	1,259,654	629,827	0	629,827	540,295	42.89	89,532	C
Santa Clarita	5,859,075	2,929,538	338,828	3,268,366	2,578,043	44.00	690,323	C
West Hills	4,776,350	2,388,175	0	2,388,175	2,306,612	48.29	81,563	C

[1] N: District did not file for exemption.
C: Exemption request filed based on payment of salaries of classroom instructors in excess of comparable districts.

EXHIBITS

Exhibit 1

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption from ECS 84362
For Fiscal Year 1986-87

A. District: Butte.

B. Data

1. Current Expense of Education (CEE):	$ 14,286,394
2. 50% of CEE:	$ 7,143,197
3. Carry-Over of 1984-85 deficiency not exempted:	139,970
4. 1986-87 expenditure requirement (2+3):	$ 7,283,167
5 Actual amount expended for salaries of classroom instructors:	7,197,342
6. Total 1986-87 deficiency (4-5):	$ 85,825

C. Basis for exemption requested by district: District did not apply for exemption.

D. Discussion

During Fiscal Year 1986-87, Butte Community College District expended 50.38 percent of its current expense of education for salaries of classroom instructors. However, the FY 1984-85 deficiency of $139,970 causes noncompliance in the amount of $85,825.

The district has not filed an application for exemption. No exemption may be granted unless the district files an application.

F. Recommendation

The Chancellor must direct Butte Community College District to add $85,825 to the amounts to be expended for salaries of classroom instructors in the 1988-89 fiscal year as required by *Education Code*, Section 84362.

Exhibit 2

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption from ECS 84362
For Fiscal Year 1986-87

A. District: Palo Verde.

B. Data

1. Current Expense of Education (CEE):	$	1,259,654
2. 50% of CEE:	$	629,827
3. Carry-Over of 1984-85 deficiency not exempted:		0
4. 1986-87 expenditure requirement (2 + 3):	$	629,827
5 Actual amount expended for salaries of classroom instructors:		540,295
6. Total 1986-87 deficiency (4-5):	$	89,532

C. Basis for exemption requested by district: Payment of salaries of classroom instructors in excess of comparable districts.

D. Discussion

Palo Verde Community College District expended 42.89 percent of its current expense of education for salaries of classroom instructors during Fiscal Year 1986-87 and had no carry-over deficiency from Fiscal Year 1984-85, resulting in a deficiency of $89,532.

The district has filed a plan to work toward compliance in future fiscal years by reducing administrative positions.

The plan shows savings of approximately $40,000 for FY 1987-88, and commits the district to scrutinizing administrative staffing requirements and establishing a replacement process for approval by its Board of Trustees.

The Chancellor's Office has received no correspondence from Palo Verde Faculty Association regarding the 1986-87 request for exemption.

E. Conclusion

Analysis of salary data shows Palo Verde paid more for salaries of classroom instructors per attendance ADA than its comparable districts ($1,504.87 versus $1,374.05, respectively) and qualifies for a full exemption of the $89,532.

F. Recommendation

The Chancellor recommends Palo Verde Community College District be granted a full exemption in the amount of $89,532.

Exhibit 2 Worksheet

PALO VERDE COMMUNITY COLLEGE DISTRICT
50 Percent Law Analysis
Fiscal Year 1985-86

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA Col. 1 ÷ Col. 2
Palo Verde	$540,249	359	$1,504.87
Comparable Districts			
Barstow	$1,815,079	977	$1,857.81
Gavilan Joint	2,878,590	2,680	1,074.10
Lake Tahoe	944,520	566	1,668.76
Mendocino-Lake	1,897,424	1,414	1,341.88
Mt. San Jacinto	2,177,704	1,689	1,289.35
Siskiyou	2,765,617	1,693	1,633.56
Victor Valley	3,598,845	2,682	1,341.85
Comparable Districts Total	$16,077,779	11,701	$1,374.05

Computation:

Salaries of classroom instructors per ADA of comparable districts:	$ 1,374.05
Less salaries of classroom instructors per ADA of Palo Verde:	- 1,504.87
Difference:	$ - 130.82

Salaries of classroom instructors paid per ADA by Palo Verde exceed that paid per ADA by comparable districts. Therefore, Palo Verde qualifies for a full exemption.

Exhibit 3

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption from ECS 84362
For Fiscal Year 1986-87

A. District: Santa Clarita.

B. Data

1. Current Expense of Education (CEE):	$	5,859,075
2. 50% of CEE:	$	2,929,538
3. Carry-Over of 1984-85 deficiency not exempted:		338,828
4. 1986-87 expenditure requirement (2+3):	$	3,268,366
5 Actual amount expended for salaries of classroom instructors:		2,578,043
6. Total 1986-87 deficiency (4-5):	$	690,323

C. Basis for exemption requested by district: Payment of salaries of classroom instructors in excess of comparable districts.

D. Discussion

During Fiscal Year 1986-87, Santa Clarita Community College District expended 44 percent of its current expense of education for salaries of classroom instructors, compared to 39.57 percent expended in FY 1985-86. The 1986-87 shortfall of $351,495 combined with a $338,828 nonexempted deficiency from FY 1984-85, resulted in a deficiency of $690,323.

The most recent plan submitted by the district envisions compliance with the 50 Percent Law by Fiscal Year 1991-92. The plan shows directing most of the revenue increases toward faculty salaries and redirecting noninstructional costs, which are above average per ADA.

The Chancellor's Office has received no correspondence from faculty representatives regarding Santa Clarita's application for 1986-87.

E. Conclusion

An analysis of salary comparison data shows Santa Clarita paid less for salaries of classroom instructors per attendance ADA than the average of its comparable districts ($1,172.37 versus $1,334.50, respectively) and needed to

spend an additional $356,524 to reach parity (Exhibit 3 Worksheet), but qualifies for a partial exemption of $333,799.

F. Recommendation

The Chancellor recommends Santa Clarita Community College District be denied an exemption in the amount of $356,524, but granted an exemption for the remainder of $333,799.

Exhibit 3 Worksheet

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
50 Percent Law Analysis
Fiscal Year 1986-87

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA Col. 1 ÷ Col. 2
Santa Clarita	$2,578,043	2,199	$1,172.37
Comparable Districts			
Barstow	$1,815,079	977	$1,857.81
Coachella Valley	5,600,752	3,759	1,489.96
Compton	3,979,563	2,864	1,389.51
Gavilan Joint	2,878,590	2,680	1,074.10
Hartnell	5,577,693	4,029	1,384.39
San Luis Obispo Co.	4,487,307	3,944	1,137.76
Victor Valley	3,598,845	2,682	1,341.85
Comparable Districts Total	**$27,937,829**	**20,935**	**$1,334.50**

Computation:

Salaries of classroom instructors per ADA of comparable districts:	$	1,334.50
Less salaries of classroom instructors per ADA of Santa Clarita:		1,172.37
Difference:	$	162.13
Multiplied by Santa Clarita's ADA:		x 2,199
Amount Needed for Parity:	$	356,524
Exemption Requested:		690,323
Difference (amount eligible for exemption):	$	333,799

Exhibit 4

CALIFORNIA COMMUNITY COLLEGES
Analysis of Application for Exemption from ECS 84362
For Fiscal Year 1986-87

A. District: West Hills.

B. Data

1. Current Expense of Education (CEE):	$	4,776,350
2. 50% of CEE:	$	2,388,175
3. Carry-Over of 1984-85 deficiency not exempted:		0
4. 1986-87 expenditure requirement (2+3):	$	2,388,175
5 Actual amount expended for salaries of classroom instructors:		2,306,612
6. Total 1986-87 deficiency (4-5):	$	81,563

C. Basis for exemption requested by district: Payment of salaries of classroom instructors in excess of comparable districts.

D. Discussion

In Fiscal Year 1986-87, West Hills Community College District expended 48.29 percent of its current expense of education for salaries of classroom instructors, resulting in a deficiency of $81,563.

A plan of compliance is required, since the district received an exemption last year.

The plan submitted by the district focuses on increasing ADA as the single most practical method of overcoming the diseconomies of scale associated with a limited enrollment. To the extent that the plan reflects district perceptions and priorities, it appears well thought out.

The Chancellor's Office has received no correspondence from faculty representatives from the district.

E. Conclusion

Analysis of salary comparison data shows West Hills Community College District paid substantially more for salaries of classroom instructors per attendance ADA than its comparable districts ($1,896.88 versus $1,445.41, respectively) and qualifies for a full exemption on the basis of payment of salaries of classroom instructors in excess of comparable districts (Exhibit 4 Worksheet).

F. Recommendation

The Chancellor recommends that West Hills Community College District receive a full exemption in the amount of $81,563.

Exhibit 4 Worksheet

WEST HILLS COMMUNITY COLLEGE DISTRICT
50 Percent Law Analysis
Fiscal Year 1986-87

District	(1) Total Salaries of Classroom Instructors Paid	(2) Attendance ADA	(3) Total Salaries Per ADA Col. 1 ÷ Col. 2
West Hills	$2,306,612	1,216	$1,896.88
Comparable Districts			
Barstow	$1,815,079	977	$1,857.81
Compton	3,979,563	2,864	1,389.51
Lake Tahoe	944,520	566	1,668.76
Mendocino-Lake	1,897,424	1,414	1,341.88
Mt. San Jacinto	2,177,704	1,689	1,289.35
Siskiyou	2,765,617	1,693	1,633.56
Victor Valley	3,598,845	2,682	1,341.85
Comparable Districts Total	$17,178,752	11,885	$1,445.41

Computation:

Salaries of classroom instructors per ADA of comparable districts:	$ 1,445.41
Less Salaries of classroom instructors per ADA of West Hills:	- 1,896.88
Difference:	$ - 451.47

Salaries of classroom instructors paid per ADA by West Hills exceed that paid per ADA by comparable districts. Therefore, West Hills qualifies for a full exemption.

APPENDIX A

Procedures for Administration of the 50 Percent Law and Technical Description of the Process for Determining Comparable Districts

Definitions (*Education Code*, Section 84362)

(a) "Salaries of classroom instructors" and "instructors" shall have the same meaning as prescribed by Section 84031. However, the cost of all health and welfare benefits provided to the instructors by the community college district shall be included within the meaning of salaries of classroom instructors.

(b) "Current expense of education" means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) for certificated salaries other than certificated salaries for student transportation, food services, and community services; classified salaries other than classified salaries for student transportation, food services, and community services; employee benefits other than employee benefits for student transportation personnel, food services personnel; and community services personnel, contracted services, and other operating expenses other than for student transportation, food services, and community services. "Current expense of education," for purposes of this section, shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the Budget and Accounting Manual for California Community Colleges), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any instructor salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the Economic Opportunity Act of 1964 or any extension of such act of Congress or the amount expended by a community college from state or federal funds received by the community college for grants to community college students or for the employment of community college students. Districts which levied a health services fee in the 1983-84 fiscal year and are subject to Section 72246.5 shall not include health services expenditures in calculating the current expense of education.

Procedures

The sequence of events prescribed by the 50 Percent Law (*Education Code*, Section 84362) and clarified by regulations is as follows:

1. District assesses its compliance with law after conclusion of Fiscal Year 1.

2. District may file an application for exemption.

   If the governing board of a district that has failed to meet the 50 Percent Law requirement believes that the application of the provisions of *Education Code*, Section 84362, would have resulted in serious hardship to the district or in payment of salaries of classroom instructors in excess of comparable districts, it may, with the written approval of the county superintendent of schools having jurisdiction over the district, apply to the Board of Governors not later than September 15th of Fiscal Year 2 for an exemption.

3. District must provide a copy of application to faculty representative.

   Immediately upon applying for such exemption, the governing board provides the exclusive representative of the district's certificated employees or, if none exists, the district or college academic senate, and all certificated employee organizations eligible for payroll dues deduction, with a copy of such application.

4. Faculty representative may file written statement of opposition

   The faculty representative, within 30 days of its receipt of such application, may transmit to the Board of Governors a written statement opposing such application, setting forth reasons for its opposition.

5. District receives annual audit report for Fiscal Year 1.

   The governing board of the district applying for exemption receives and reviews the annual audit report pursuant to the *Education Code*, Section 84040, for verification of failure to comply with the 50 Percent Law in Fiscal Year 1.

6. District holds public hearing.

   The governing board, after receipt of the annual audit report but not later than February 1 of Fiscal Year 2 (date may be extended for two weeks by the Chancellor), holds a public hearing to determine the basis for the district's application for exemption. This public hearing is held during a meeting of the district governing board and is identified as a separate item on the agenda. The governing board considers the findings of the annual audit report and

provides an opportunity for interested parties to be heard. The governing board then determines whether expenditure of the required amount would have resulted in serious hardship to the district or in the payment of salaries of classroom instructors in excess of the salaries of classroom instructors paid by other districts of comparable type and functioning under comparable conditions and transmits its determination to the Chancellor by February 1, or if an extension is granted, not later than February 15.

7. Faculty representative may file additional statement.

   Within two weeks of the public hearing or by the date the district is required to transmit its findings to the Chancellor, whichever is later, the certificated employee organizations may submit an additional written statement opposing the application to the Chancellor. Failure to submit this written statement precludes the faculty organization from making any further argument to the Board of Governors.

8. The Chancellor's staff analyzes each district application.

   The Chancellor's staff independently determine if districts have expended the required amount for salaries of classroom instructors during the preceding fiscal year from data submitted on the CCFS-311, *Annual Financial and Budget Report*.

   Each application for exemption received is analyzed together with statements from concerned parties and with results of the annual audit report.

   No later than May 1, the Chancellor makes recommendations to the Board of Governors concerning all districts that have failed to meet the requirements of the law.

   If the amount of deficiency is less than $1,000, the Chancellor grants an automatic exemption as provided by statute.

9. Board of Governors reviews Chancellor's recommendations and takes appropriate action.

   If the amount of deficiency is $1,000 or greater, an exemption may be granted in writing by the Board to the extent deemed appropriate. (Provisions of the statute require that exemptions to the 50 Percent Law requirement be granted by a majority of the Board of Governors in writing.) If an exemption is granted, the amount in question is immediately available for expenditure by the district. If no application for exemption is filed or the exemption is denied, the amount not exempted is designated to be added to the amounts to be expended for salaries of classroom instructors during the fiscal year following the Board's decision (in this case, 1988-89).

10. Chancellor designates the amount of deficiency not exempted.

    The Chancellor in certifying apportionments to the district from the State School Fund after April 15 of the current fiscal year designates an amount equal to the deficiency not exempted by the Board of Governors.

11. The amount of deficiency not exempted is deposited in county treasury.

    Any amount not exempted is deposited in the county treasury to the credit of the district, but is unavailable for expenditure by the district until the next fiscal year. (In reality, this and the preceding provision of law have little meaning, since normally the only apportionment certified by the Chancellor after April 15 is made between June 25 and June 30.)

12. Board of Governors reports to the Legislature.

    Section 84363 of the *Education Code* requires that the Board

    > . . . no later than the 10th calendar day of each year of the Legislature, submit to the Legislature a written report on the operation, effect, and the extent of compliance with the provisions of Section 84362 by community college districts in the state during the two most recently ended fiscal years. The report shall describe the activities of the Board of Governors, and the Chancellor's Office, undertaken to insure compliance with the provisions of Section 84362 and may contain recommendations for legislation pertaining to the subject.

Determining Comparable Districts

Determination of *comparable districts* is based on twelve factors grouped within seven measurable district characteristics:

I. **SIZE.**

   1. **Fiscal Year-attendance ADA.** A measure of district size in terms of average daily attendance (ADA).

II. **FACULTY.** Composition of faculty.

   2. **Ratio of part-time weekly faculty contact hours (WFCH) to total WFCH.** Measures a district's dependence on part-time faculty (traditionally lower paid) by comparing the total number of WFCH for part-time faculty to the total number of WFCH for all faculty.

III. **FUNDING**. Source and availability of district funds.

3. **Ratio of state and local revenue to the current expense of education (CEE).** Measures the sufficiency of resources by comparing state and local revenues to expenditures.

4. **Ratio of state and local revenue to total revenue.** Addresses mix of resources and dependence on other sources of funds (especially federal).

IV. **ACCESS**. Level of service and accessibility.

5. **Ratio of attendance ADA to the district's adult population.** Measures the degree to which the community is being served by the district.

V. **STUDENTS**. Characteristics and workload.

6. **Ratio of weekly student contact hours (WSCH) to WFCH.** Relates weekly student contact hours of first census week of the fall term to weekly faculty contact hours for the same period.

7. **Ratio of part-time students to total students.** Measures the proportion of part-time students to total students as an indicator of additional student related administrative costs.

8. **Ratio of Credit ADA to Attendance ADA.** Measures the program cost mix or the emphasis placed on credit courses (typically more costly).

VI. **STUDENT SERVICES**. Emphasis on support services to students.

9. **Ratio of student-support-activities costs to credit students.** Measures the investment in student services by relating the costs of instructional services, counseling and guidance, other student services, and ancillary services to the number of credit students.

VII. **PHYSICAL PLANT**. Characteristics of campus facilities in terms of square footage.

10. **Ratio of assignable square feet (ASF) per attendance ADA.** Measures the utilization of facilities.

11. **Ratio of ASF to total square feet.** Quantifies the design efficiency of facilities (usable space ratio).

12. **Ratio of plant maintenance and operation costs per attendance ADA.** Measures the design cost effectiveness of facilities by examining per ADA cost for plant maintenance and operation, excluding capital outlay.

These 12 factors were quantified for each of the 70 community college districts and individual factor values are mathematically equated to those of each noncomplying district's values. (See Table 1, attached.) The complying districts with composite averages nearest that of each noncomplying district are deemed to be most comparable.

CALIFORNIA COMMUNITY COLLEGES
FACTOR VALUES FOR ALL COMMUNITY COLLEGE DISTRICTS
50% LAW - FISCAL YEAR 1986-87

APPENDIX A
TABLE 1

DISTRICT	ATTND ADA	SQ.FT. PER ADA	ASSIGN. SQ.FT. TO TOT.SQ.FT.	PLANT COST PER ADA	WFCH PT TO TOTAL	ST. & LOC REVENUE TO CEE	ST.& LOC REV.TO TOT REV	ADA PER ADULT POP.	WSCH TO WFCH	PT ENROLL TO TOT ENROLL	CR ADA TO ATTND ADA	SUPPORT PER CR. STUDENT
ALLAN HANCOC	6462	36.381461	0.775836	233.487459	0.459	1.242298	0.979796	0.057542	29.688221	0.825294	0.794491	289.573250
ANTELOPE VAL	3843	49.131668	0.744108	295.979443	0.321	1.155069	0.978669	0.032513	23.910838	0.814618	0.995576	166.648769
BARSTOW	977	85.442178	0.726519	428.697832	0.243	1.238489	0.965068	0.032138	16.827243	0.745498	0.998788	282.768908
BUTTE	6763	33.217507	0.735861	236.134851	0.488	1.230861	0.971342	0.051744	25.040462	0.767500	0.862487	509.132993
CABRILLO	6560	38.818598	0.619546	291.022256	0.275	1.153481	0.974147	0.004069	25.609176	0.726289	0.989329	232.874988
CERRITOS	11362	46.258317	0.746470	359.574283	0.274	1.185712	0.968496	0.041392	30.076357	0.774526	0.979757	220.118130
CHAFFEY	6395	47.637217	0.726865	318.431431	0.184	1.144908	0.975226	0.021871	19.705387	0.746617	0.852697	246.897158
CITRUS	6359	55.478849	0.692262	389.514704	0.367	1.188995	0.986957	0.045004	24.102959	0.801361	0.846831	197.997696
COACHELLA VA	3759	58.791264	0.718654	505.561586	0.489	1.162335	0.969694	0.022256	23.859725	0.827038	0.871242	213.984336
COAST	26810	44.871056	0.919678	248.348452	0.346	1.247617	0.985783	0.060018	27.332519	0.787481	0.976949	188.556597
COMPTON	2864	88.234288	0.758018	394.861034	0.276	1.347555	0.896065	0.018756	23.886447	0.719780	0.996159	293.972985
CONTRA COSTA	28494	40.485020	0.729300	300.201766	0.287	1.104758	0.976765	0.037694	30.732197	0.728303	1.000000	175.990778
EL CAMINO	14059	54.107974	0.642879	361.435886	0.279	1.113040	0.989063	0.035746	30.116270	0.778328	0.995163	157.856677
FOOTHILL	24661	33.442723	0.744548	271.375451	0.197	1.279946	0.963737	0.086107	25.946164	0.768415	0.977049	253.885946
FREMONT NEWA	4718	68.889368	1.519765	327.634167	0.388	1.153927	0.979578	0.034922	25.104917	0.745420	0.997245	235.833056
GAVILAN	2680	63.345896	0.824664	295.690672	0.277	1.351877	0.954196	0.037274	26.054455	0.692239	0.899627	312.011409
GLENDALE	8514	26.681958	0.708604	205.274137	0.431	1.142654	0.966102	0.062055	25.949598	0.800511	0.793869	375.296854
GROSSMONT	18628	37.146234	0.738329	324.434087	0.389	1.157662	0.971682	0.037329	30.017986	0.714931	0.989368	190.195337
HARTNELL	4029	70.934475	0.686740	371.493174	0.237	1.205838	0.946207	0.034554	26.428450	0.743073	0.997766	234.679833
IMPERIAL	2603	56.711103	0.771763	341.377641	0.284	1.248132	0.873296	0.037239	23.893326	0.536786	1.000000	676.526428
KERN	9923	66.264033	0.676564	415.914139	0.369	1.198973	0.920554	0.027298	21.267900	0.766191	0.975612	289.205747
LAKE TAHOE	566	50.586572	0.810416	250.602473	0.555	1.440732	0.956144	0.026204	16.374525	0.887097	1.000000	211.929435
LASSEN	2811	49.704625	0.739971	371.005470	0.466	1.600294	0.940858	0.121879	13.239261	0.687561	0.986574	827.389814
LONG BEACH	14373	42.902039	0.759453	323.926598	0.403	1.139903	0.941787	0.043820	27.312140	0.773248	0.892159	263.723955
LOS ANGELES	54230	61.283127	0.716463	427.752185	0.186	1.162708	0.968739	0.016500	28.801783	0.741589	0.992366	230.148534
LOS RIOS	24137	45.267680	0.706480	318.452956	0.226	1.163192	0.983760	0.031919	27.948616	0.769001	0.997887	241.354418
MARIN	6297	64.922979	0.691860	358.980588	0.269	1.187786	0.974243	0.034656	28.249712	0.873132	0.781960	197.113372
MENDOCINO-LA	1414	49.149222	0.684046	386.571429	0.490	1.424791	0.957349	0.024807	18.204473	0.872068	0.968175	221.105278
MERCED	5606	48.254192	0.777940	290.313057	0.321	1.220838	0.944206	0.051956	29.219561	0.668446	0.835177	549.346362
MIRA COSTA	4178	44.373141	0.846188	305.853237	0.425	1.324434	0.974189	0.024188	25.542470	0.841362	0.811990	315.124343
MONTEREY PEN	5314	47.964810	0.762718	271.822168	0.432	1.241803	0.963631	0.048485	28.806726	0.815680	0.915318	329.573939
MT. SAN ANTO	14642	45.809999	0.696129	326.769635	0.255	1.154968	0.987975	0.032822	33.514338	0.805807	0.807677	226.708800
MT. SAN JACI	1689	77.560687	0.805946	329.406758	0.401	1.509322	0.917053	0.009285	24.872987	0.786548	0.968620	357.158177
NAPA	3898	55.918589	0.722442	292.189717	0.402	1.197943	0.976641	0.047847	21.537646	0.811032	0.876350	251.298528
NORTH ORANGE	23986	44.102101	0.696176	389.783082	0.348	1.113957	0.982425	0.045722	26.898667	0.877031	0.753606	230.665927
PALOMAR	9390	44.526092	0.828945	266.885517	0.332	1.298480	0.960323	0.032480	23.388944	0.761693	0.923429	246.466786
PALO VERDE	359	66.866295	0.828358	256.805014	0.388	1.569762	0.989817	0.038191	16.173554	0.734214	0.952646	287.020249
PASADENA	15267	37.631951	0.638780	289.307526	0.284	1.230758	0.976565	0.054215	29.276042	0.739594	0.885701	239.598708
PERALTA	14481	68.218414	0.715784	288.457634	0.202	1.275973	0.938803	0.034145	30.840071	0.785050	0.976728	252.482870
RANCHO SANTI	17155	22.589682	0.740073	189.859574	0.480	1.164446	0.972018	0.058133	29.609146	0.879652	0.702711	277.424476
REDWOODS	4082	70.899869	0.722842	485.677364	0.361	1.243726	0.938228	0.037279	23.726408	0.770228	0.952229	208.384335
RIO HONDO	8477	41.224372	0.703284	248.482954	0.260	1.089859	0.983311	0.034713	30.365259	0.777211	0.885573	211.675811
RIVERSIDE	8286	48.496862	0.688753	344.288197	0.440	1.295377	0.985840	0.027319	27.861869	0.791086	0.989500	153.000277
SADDLEBACK	12486	35.769422	0.847926	319.217203	0.391	1.153162	0.990637	0.034587	22.522834	0.848306	0.892528	256.975169
SAN BERNARDI	8546	64.844372	0.692973	0.000000	0.278	1.110653	0.979633	0.025457	.	0.767840	1.000000	0.000000
SAN DIEGO	32810	30.326090	0.762884	261.717220	0.335	1.216890	0.867702	0.053039	32.842090	0.831095	0.612618	198.466560
SAN FRANCISC	31726	26.416031	0.671921	332.306752	0.361	1.095691	0.968429	0.053169	49.987889	0.875632	0.484240	342.897046
SAN JOAQUIN	9966	52.488661	0.685871	369.935782	0.181	1.189562	0.961180	0.032420	26.789041	0.715933	0.961469	178.647087
SAN JOSE	10447	48.807313	0.721734	308.695415	0.325	1.152887	0.982705	0.024832	27.666318	0.775724	0.997894	236.510337
SAN LUIS OBI	3944	47.347363	0.630273	377.679513	0.324	1.326287	0.940238	0.029193	29.028369	0.638282	1.000000	273.180859
SAN MATEO	15698	47.278571	0.674886	266.362403	0.292	1.129531	0.972554	0.032568	28.189065	0.756213	1.000000	265.241628
SANTA BARBAR	9204	39.465667	0.699971	286.852898	0.520	1.177855	0.972816	0.070313	21.795107	0.848371	0.784007	248.312394
SANTA CLARIT	2199	87.659391	0.676642	595.937699	0.313	1.264180	0.981005	0.026430	26.924585	0.784666	1.000000	359.580330
SANTA MONICA	12287	32.273468	0.747951	333.432490	0.387	1.195962	0.979059	0.131693	33.961467	0.808704	0.948889	275.162526
SEQUOIAS	5207	44.981479	0.778489	332.721529	0.271	1.165549	0.973689	0.030593	26.200762	0.640234	0.990974	286.803747

CALIFORNIA COMMUNITY COLLEGES
FACTOR VALUES FOR ALL COMMUNITY COLLEGE DISTRICTS
50% LAW - FISCAL YEAR 1986-87

APPENDIX A
TABLE

DISTRICT	ATTND ADA	SQ.FT. PER ADA	ASSIGN. SQ.FT. TO TOT.SQ.FT.	PLANT COST PER ADA	WFCH PT TO TOTAL	ST. & LOC REVENUE TO CEE	ST.& LOC REV.TO TOT REV	ADA PER ADULT POP.	WSCH TO WFCH	PT ENROLL TO TOT ENROLL	CR ADA TO ATTND ADA	SUPPORT PER CR. STUDENT
SHASTA-TE-TR	5186	57.727921	0.764458	355.550521	0.301	1.119334	0.969889	0.037417	25.754638	0.698636	0.952950	191.837029
SIERRA	5618	47.555358	0.707337	0.000000	0.375	1.140782	0.983996	0.033125	26.966116	0.738703	0.985048	0.000000
SISKIYOU	1693	88.024217	0.819077	391.177791	0.316	1.013710	0.948539	0.055691	20.591200	0.747540	0.941524	305.029514
SOLANO	4991	55.301342	0.790139	322.783610	0.279	1.137215	0.979268	0.025647	24.863084	0.797719	0.989782	236.675351
SONOMA	12664	38.047536	0.703124	184.750790	0.456	1.210682	0.977512	0.048708	25.489574	0.797397	0.878869	145.627781
SOUTH COUNTY	10685	40.951334	0.725701	280.826299	0.346	1.084940	0.985887	0.003221	29.114561	0.783600	0.975760	207.019144
SOUTHWESTERN	7537	46.219185	0.733891	331.727610	0.256	1.213534	0.964243	0.036323	29.717924	0.709112	0.991907	238.532340
STATE CENTER	12013	61.882078	0.731294	268.894980	0.244	1.198081	0.966397	0.027731	28.191298	0.662012	0.960043	205.923203
VENTURA	15231	43.048585	0.741252	277.929092	0.350	1.181817	0.978770	0.034901	25.934690	0.737481	0.990874	216.823771
VICTOR VALLE	2682	55.293811	0.733825	407.626771	0.381	1.230773	0.957564	0.028351	25.685294	0.801098	0.937360	246.697714
WEST HILLS	1216	113.273849	0.759846	821.235197	0.333	1.438213	0.974910	0.026377	15.718923	0.768919	0.965461	431.994137
WEST KERN	653	193.467075	0.778393	961.465544	0.111	1.710862	0.980634	0.043826	19.107774	0.625527	0.949464	1191.093100
WEST VALLEY	11892	43.372099	0.674693	322.116465	0.358	1.106786	0.985744	0.045598	28.148121	0.794182	0.969307	187.214681
YOSEMITE	8973	58.515547	0.698288	301.907277	0.176	1.269796	0.967102	0.031729	26.853507	0.742192	0.949961	406.719032
YUBA	5200	53.109615	0.757834	298.670385	0.306	1.212769	0.955100	0.037464	25.595298	0.745056	0.978077	318.359671
STATEWIDE TO	685031	46.054167	0.727932	308.970782	23.11	1.182745	0.965591	0.028698	28.119371	0.783310	0.897374	236.008329

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